
Subject: Collection of Improperly Issued Benefits/Claims Against Clients

Effective Date: June 1, 2006

Revised from: October 1, 2004

Policy: Any client or alternate caregiver who intentionally conceals, withholds, or misrepresents or intentionally concealed, withheld, or misrepresented circumstances in order to receive food benefits may be required to repay to the WIC Program, the full case value of benefits the individual received improperly. Claims may also be made against clients for improper acts include but are not limited to: for selling or trading WIC checks or WIC purchased food, and dual participation violations.

In lieu of financial restitution, clients or parents or caregivers of infant or child clients for whom financial restitution would cause undue hardship, may provide restitution by performing in-kind services that the State WIC Office determines. Restitution **may not include** offsetting the claim against future program benefits, even if agreed to by the client or the parents or caretakers of infant or child clients.

The Local Agency or Clinic shall follow the State WIC Office established cost effective formula to apply when determining whether or not to pursue a reimbursement claim against a WIC client or the client's caregiver when the client or the client's caregiver has abused the WIC program. The formula is as follows:

CLAIM VALUE	REIMBURSEMENT POLICY
For claims \geq \$500	The State WIC Agency may direct a Local Agency or Clinic to pursue a claim and if or when appropriate to do so, refer the claim for prosecution.
For claims \geq \$200 < \$500	The State WIC Agency may direct a Local Agency or Clinic to pursue a claim and may refer the claim for prosecution.
For claims < \$200	The State WIC Agency and/or Local Agency shall examine the collection costs involved and based on the costs, determine whether or not to pursue a claim.

The Local Agency or Clinic, at the direction of the State WIC Office, shall be responsible for initiating and pursuing the collection of client claims.

Reference: CFR §246.7, §246.12 and §246.23(c)(1)

Procedure: When the State WIC Agency or Local Agency issues a demand for reimbursement letter, the letter shall be sent to the client at the client's address of record in the client's data file and shall contain:

1. The client's name;
2. date and description of the abuse;
3. 15-day deadline from receipt of letter to contact the State WIC Office, or Local Agency or Clinic;
4. warning that failure to repay the benefit claim may result in disqualification;
5. non-discrimination and fair hearing clause;
6. correct procedure to follow, and
7. Local Agency signature, title and date.

POLICY: PRI 02.01
(Page 2 of 2)

The State WIC Office, Local Agency or Clinic shall advise the client of procedures to follow to obtain a fair hearing [See PPM PRI 03.00.00 and PRI 03.01.00] and that failure to pay may result in disqualification. In addition to establishing a claim, the State WIC Office shall determine whether disqualification is required by Federal Regulation. Whenever the State WIC Office assesses a claim of \$100 or more, assess a claim for dual participation, or assess a second or subsequent claim of any amount, the State Agency must terminate the client for one year.